GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:816
ANSWERED ON:27.11.2006
EQUITY INVESTMENTS BY PENSION FUNDS
Acharia Shri Basudeb

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether the Government proposes to allow equity investments by pension funds as appeared in Business Line on November 05, 2006;

(b) if so, the details thereof;

(c) whether almost all unions have strongly objected to this proposal; and

(d) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a) & (b): Though the Investment Pattern prescribed by the Ministry of Finance vide its notification No. F.5 (53)/2002-ECB&TR dated 24.01.2005 provides for an option for investment in equities, Central Board of Trustees, Employees` Provident Fund has not taken any decision regarding investment of monies belonging to Employees` Provident Fund in the equities.

(c) & (d): Do not arise in view of (a) & (b).